GOVERNMENT OF INDIA
LAW , JUSTICE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4693
ANSWERED ON:24.08.2000
INVESTORS EDUCATION AND PROTECTION FUND
DR. KIRIT SOMAIYA

Will the Minister of LAW , JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) Whether the Government have finalised the guidelines and rules of Investors` Protection Fund.

(b) If so, the details thereof;

(c) Whether the Department of Company Affairs is considering the package and proposals for investors` education and awareness;

(d) If so, the details thereof;

(e) Whether the said Department will start encouraging the Investors` Association and its functioning; and

(f) The time by which the Investors Education and Protection Fund likely to be made effective.

Answer

THE MINISTER OF STATE FOR THE MINISTRY OF INFORMATION & BROADCASTING AND MINISTRY OF LAW, JUS COMPANY AFFAIRS (SHRI ARUN JAITLEY)

(a) & (b) No, Sir. In exercise of powers conferred by sub section (4) of Section 205 C of the Companies Act, 1956 (1 of 1956), the Central Government has constituted a Committee to administer the Investors Education & Protection Fund and to maintain separate Accounts and other relevant records in relation to that fund in such forms as may be prescribed in consultation with the Comptroller & Auditor General of India.

In pursuance to decision taken by the Committee on Investor Education and Protection Fund, the Investor Protection Fund Rules, 1999 have been framed and sent to Comptroller and Auditor General of India for their approval. The matter is still under their consideration.

(c) & (d) No, Sir.

(e) The draft Investor Protection Fund Rules, 1999 provides for that the committee on Investor Education & Protection Fund Rules shall recoganize from time to time various Associations/ Chamber of Commerce / Institutes/Organizations/Persons engaged in activities relating to Investors awareness Education & Protection who will be provided funds for conducting direct education programs; organizing seminar symposiums; conducting specific projects for Investor Protection including research activities and providing legal assistance to genuine Investor litigants.

(f) The Investor Education & Protection Fund will be effective after the Investor Education & Protection Rules are finalized in consultation with Comptroller & Auditor General of India.